

RECORDATION NO. 5685-7 FILED

JAN 20 '99

1-30 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.
20006-2973
(202) 393-2266
FAX (202) 393-2156

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

Country Partners - Galt

January 13, 1999

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Amendment Agreement, dated as of July 1, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to Lease Agreement which was previously filed with the Commission/Board under Recordation Number 5685.

The names and addresses of the parties to the enclosed document are:

Lessee: Consolidated Rail Corporation
2001 Market Street
Philadelphia, PA 19101

Lessor: GATX Capital Corporation
Four Embarcadero Center
San Francisco, CA 94111

A description of the railroad equipment covered by the enclosed document is:

This transaction does not involve any new or additional railroad equipment.

Mr. Vernon A. Williams
January 13, 1999
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Robert W. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

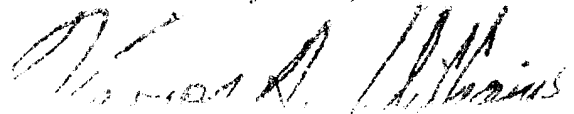
Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.

11301 and CFR 1177.3 (c), on 1/20/99 at 1:30 PM , and

assigned recordation numbers (s): 5685-I, 14635-D, 16116-D, 16696-D,
16911-E and 17943-F.

Sincerely Yours,

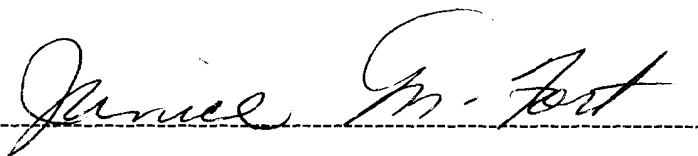


Vernon A. Williams

Enclosure(s)
156.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



JAN 20 '99

1-30PM

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT, dated as of July 1, 1998 (the "Amendment Agreement"), is made by and between GATX Capital Corporation (successor in interest to GATX-Armco-Boothe under the Lease Agreement (as defined below)), as lessor (the "Lessor"), and Consolidated Rail Corporation (successor in interest to Penn Central Transportation Company under the Lease Agreement (as defined below)), as lessee (the "Lessee").

PRELIMINARY STATEMENTS:

WHEREAS, the Lessor and Lessee have entered into a certain Lease of Railroad Equipment, dated as of March 1, 1970, as amended and supplemented from time to time (the "Lease Agreement"); and

WHEREAS, the Lessor and Lessee now desire to amend the Lease Agreement, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and promises herein contained and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Lessor and Lessee hereby agree as follows:

Section 1. Certain Defined Terms. Capitalized terms used but not defined herein have the respective meanings set forth in the Lease Agreement. Capitalized terms used herein but not defined in the Lease Agreement have the following meanings:

"Conrail Group" means the Lessee and the LLCs.

"Excluded Conveyance" means any conveyance, transfer, lease or sublease described in or contemplated by the Transaction Agreement.

"Indebtedness" means, as to any Person at any date of determination, any obligation of such Person to the extent that such obligation should be reflected in "Short Term Debt" or "Long Term Debt" on the consolidated balance sheet or statement of financial position of such Person at such date in accordance with generally accepted accounting principles, other than all such obligations in existence immediately after giving effect to the Excluded Conveyances, and to renewals, refinancings and extensions thereof that do not increase the principal amount thereof.

"LLC" means each of New York Central Lines LLC, Pennsylvania Lines LLC, and any successor to either thereof.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency, instrumentality or political subdivision thereof.

"Transaction Agreement" means the transaction agreement dated as of June 10, 1997 among the Lessee, Conrail, Inc., CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company and CRR Holdings LLC, as the same may be amended, modified or supplemented from time to time.

Section 2. Amendments to Lease Agreement.

Section 2.1 The second and third paragraphs of Section 11 of the Lease Agreement shall be deleted in their entirety and the following substituted therefor:

"So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them; *provided however*, that the Lessee shall have the right, without the consent of the Lessor, to sublease any Unit to any LLC, CSX Transportation, Inc., Norfolk Southern Railway Company or any corporation at least 80% of the capital stock of which is owned by the Lessee, but only to the extent that: (i) such subleasing shall not adversely affect the Rapid Amortization Deduction of the Lessor with respect to the Full Purchase Price of any Unit; (ii) the Lessee will not permit any LLC to sublease any of the Units to CSX Transportation, Inc. or Norfolk Southern Railway Company unless prior thereto, such LLC shall assign and create a security interest in and to such sublease to and for the benefit of the Lessee to secure all amounts payable by such LLC to the Lessee under the sublease of such Unit from the Lessee to such LLC; (iii) the Lessee will not, and will not permit any of its LLC to, sublease any of the Units if such sublease would have a material adverse effect on the benefits available to the Lessor which result from this Lease pursuant to 11 U.S.C. § 1168; (iv) the Lessee will not, and will not permit any of the LLCs to, sublease any of the Units unless the agreement governing such sublease expressly provides that (a) the sublease of such Unit thereunder shall be junior and subordinate to this Lease, and (b) upon a default by the Lessee under this Lease, the sublessee under such sublease shall surrender possession of such Unit in accordance with the provisions of this Lease; and (v) the Lessee will notify the Lessor and furnish copies to the Lessor of any sublease executed by the Lessee or any of the LLCs. Such sublease shall in no way discharge or diminish any of the Lessee's

obligations under this Lease, for which obligations the Lessee shall be and remain primarily liable as principal and not as surety. In addition, the Lessee, at its own expense, will promptly cause to be duly discharged any lien, charge, security interest or other encumbrance (other than the encumbrance resulting from claims against the Lessor or the Vendor not related to the ownership of the Units) which may at any time be imposed on or with respect to any Unit including any accession thereto or the interests of the Lessor, the Vendor or the Lessee therein. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of this § 11.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Units and to the use thereof upon its (or any sublessee's) lines of railroad or upon lines of railroad over which the Lessee (or any sublessee) has trackage or other operating rights or over which railroad equipment of the Lessee (or any sublessee) is regularly operated pursuant to contract, and also to permit the use of the Units upon other railroads in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease, including the last paragraph of this § 11, and the Conditional Sale Agreements. The Lessee or any sublessee may receive and retain compensation for such use from other railroads so using any of the Units."

Section 2.2 The Lease Agreement is hereby amended by adding the following:

"§ 22. *Limitation upon LLC Indebtedness and Liens* The Lessee will not permit any LLC to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, any Indebtedness or to grant a mortgage, pledge, lien or security interest on, of or in any sublease of any of the Units by any LLC other than to the Lessee.

§ 23. *Amendments to Other Agreements.* The Lessee will not, and will not permit any of the LLCs to, agree to any amendment to the Transaction Agreement (or to any other agreement contemplated by or entered into pursuant to the Transaction Agreement) that would reduce the total amounts payable by CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, and Norfolk Southern Railway Company to all members of the Conrail Group in the aggregate under the Transaction Agreement (and all agreements contemplated thereby or entered into pursuant thereto) to a level, in respect of any period, which is insufficient to service the Lessee's outstanding debt and rental obligations in respect of such period, taking into account cash available to members of the Conrail Group from all other sources to service such obligations."

Section 3. Reconfirmation. The Lessor and the Lessee hereby ratify, approve and confirm their rights and obligations in each and every respect under the Lease Agreement, as amended by this Amendment Agreement.

Section 4. Further Assurances. The Lessor and Lessee each hereby agree to execute and deliver, or cause to be executed and delivered, such other documents, instruments and agreements, and take such further actions, as either party may, from time to time, reasonably request in order to effectuate the purposes and to carry out the terms of this Amendment Agreement.

Section 5. Amendment or Waiver. This Amendment Agreement may not be amended, waived or modified without the written consent of the party to be bound thereby.

Section 6. Governing Law. This Amendment Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 7. Execution in Counterparts. This Amendment Agreement may be signed in separate counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Delivery by telecopier of an executed signature page hereto shall be effective as delivery of a manually executed counterpart thereof.

IN WITNESS WHEREOF, the undersigned have caused this Amendment Agreement to be executed by their respective officers or representatives or attorneys-in-fact thereunto duly authorized, as of the date first above written.

GATX CAPITAL CORPORATION

By: Thomas C. Nord
Name: Thomas C. Nord
Title: Vice President

CONSOLIDATED RAIL CORPORATION

By: _____
Name:
Title:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

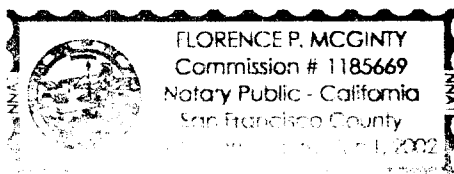
State of California

County of San Francisco

On 10/14/98 before me, Florence P. McGinty, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Thomas C. Nord,
Name(s) of Signer(s)

☒ personally known to me – **OR** – ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Florence P. McGinty
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amendment Agreement

Document Date: 07/01/98 Number of Pages: 5

Signer(s) Other Than Named Above: Consolidated Rail Corp.

Capacity(ies) Claimed by Signer(s)

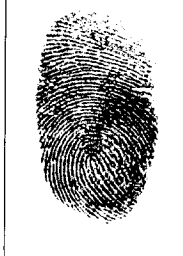
Signer's Name: Thomas C. Nord

- ☒ Individual
☒ Corporate Officer
Title(s): Vice President
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

GATX CAPITAL
CORPORATION

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

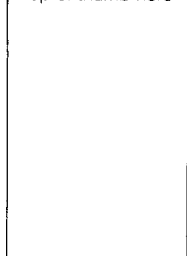


Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



IN WITNESS WHEREOF, the undersigned have caused this Amendment Agreement to be executed by their respective officers or representatives or attorneys-in-fact thereunto duly authorized, as of the date first above written.

GATX CAPITAL CORPORATION

By: _____
Name:
Title:

CONSOLIDATED RAIL CORPORATION

By: Thomas J. McFadden
Name: Thomas J. McFadden
Title: Treasurer

STATE OF Pennsylvania:)
COUNTY OF Philadelphia:) SS.:

On this, the 7th day of October, 1998, before me, a notary public, personally appeared Thomas J. McIndoo, to me known, who, being by me duly sworn, did depose and say that he/she is the Treasurer of Consolidated Rail Corporation, one of the parties described in and which executed the foregoing instrument; that said instrument was executed on October 7, 1998 on behalf of said party by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said party.

Sworn to before me this
7th day of October, 1998.

[Notarial Seal]

Suzanne J. Rossomando
NOTARY PUBLIC
MY COMMISSION EXPIRES ON

NOTARIAL SEAL
Suzanne J. Rossomando, Notary Public
City of Philadelphia, Phila. County
My Commission Expires June 28, 1999